

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:**

CASE NO. 13721

**APPLICATION OF THE NEW MEXICO OIL
CONSERVATION DIVISION FOR A COMPLIANCE
ORDER AGAINST CBS OPERATING CORP.**

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

New Mexico Oil Conservation Division

ATTORNEY

OPPOSITION

CBS Operating Corp.
Attention: Manny Sirgo
Post Office Box 2236
Midland, Texas 79702
(432) 685-0878

ATTORNEY

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Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
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2006 JUN 15 PM 3 43

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order requiring CBS Operating Corp. to bring inactive wells into compliance with 19.15.4.201 NMAC; authorizing the Division to

plug said wells in the event of noncompliance and forfeit the applicable financial assurance; imposing civil penalties, and for such other relief as the Director deems appropriate.

OPPOSITION

CBS Operating Corp. and the Oil Conservation division are negotiating the final terms of an Agreed Compliance Order that the parties believe will be executed prior to the hearing on this application.

PROPOSED EVIDENCE

OPPOSITION

WITNESSES
(Name and Expertise)

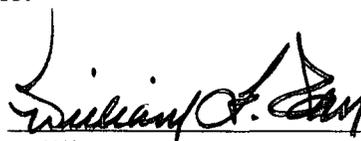
ESTIMATED TIME

EXHIBITS

None planned at this time.

PROCEDURAL MATTERS

CBS Operating Corp. has none at this time.



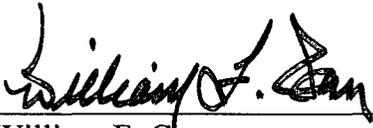
William F. Carr
Attorney for CBS Operating Corp.

CERTIFICATE OF SERVICE

I certify that on June 15, 2006 I served a copy of the foregoing document to the following by

- U.S. Mail, postage prepaid
- Hand Delivery
- Fax
- Electronic Service by LexisNexis File & Serve

Gail MacQuesten, Esq.
Oil Conservation Division
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William F. Carr